



SENATE BILL 5022

Notification to Students Regarding Student Loans

December 1, 2023

Table of Contents

Introduction	3
Overview of SB 5022	3
Community and Technical College System Uniform Template for Complying with SB 5022.....	4
State Board Policy Manual Additions	4
3.20.50 Student Rights and Responsibilities.....	4
Conclusion	4
Contact	5

Introduction

In the dynamic and often unfamiliar environment of higher education, students at community and technical colleges frequently find themselves at a crossroads, confronted with a pivotal decision to begin their educational journey with the aid of student loans or, in many cases, to forgo further academic pursuits altogether. This critical moment is often marked by a conscientious choice, and for those who opt to invest in their education through student loans, it brings forth a cascade of considerations. Each instance of borrowing serves as a moment of reflection — a reminder of the financial implications and responsibilities associated with their educational debt.

This introspective process is not left to chance; rather, it is a product of legislative foresight encapsulated in [SB 5022](#) (RCW 28B.10.285). Enacted on July 23, 2017, this bill mandates that higher education institutions provide student borrowers who have applied for financial aid detailed information about the students' certified education loans, from estimates of total loan amounts and potential payoff figures to monthly repayment projections and federal loan limits. The notifications emphasize not just the financial metrics but also the distinctions between private and federal student loans.

The required notifications equip students with the knowledge they need to make informed decisions about their educational financing and to understand the broader impact and long-term implications of educational debt.

SB 5022 requires postsecondary institutions to submit a report informing the Legislature how they are complying with the law. The reports began in December 2019 and are due every other year through 2025. This is the third report due to the Legislature's higher education committees. The final report will be provided in December 2025.

Overview of SB 5022

SB 5022 requires educational institutions to provide each enrolled student who has applied for student financial aid a notification about the student's certified education loan. The notification must include an estimate, based on information available at the time the notification is provided, of the:

- Total amount of student education loans taken out by the student;
- Potential total payoff amount of the student education loans incurred or a range of the total payoff amount, including principal and interest;
- The monthly repayment amount that the student may incur for the amount of student education loans the student has taken out, based on the federal loan repayment plan borrowers are automatically enrolled in if they do not select an alternative repayment plan;
- Percentage of the aggregate federal direct loan borrowing limit applicable to the student's program of study the student has reached at the time the information is sent to the student;

- Consumer information about the differences between private student loans and federal student loans, including the availability of income-based repayment plans and loan forgiveness programs for federal loans;
- A statement that the estimates and ranges provided are general in nature and not meant as a guarantee or promise of the actual projected amount. It must also include a statement that a variety of repayment plans are available for federal student loans that may limit the monthly repayment amount based on income; and
- The notification must include information about how to access resources for student education loan borrowers provided by federal or state agencies, such as a student education loan debt hotline and website or student education loan ombuds, federal student loan repayment calculator, or other available resources.

Community and Technical College System Uniform Template for Complying with SB 5022

Washington's 34 community and technical colleges have worked together to establish a uniform template and policy to effectively implement SB 5022. All 34 colleges use the template through ctcLink, a PeopleSoft-based software system shared by all community and technical colleges. In implementing SB 5022, our college system is committed to consistency, compliance, transparency, clarity, and a shared sense of responsibility for helping students make informed financial decisions.

State Board Policy Manual Additions

3.20.50 Student Rights and Responsibilities

Community and technical colleges are required to:

- M. Provide to an enrolled student who has applied for student financial aid a notification detailing information about the student education loans the educational institution has certified (see [RCW 28B.10.285](#)).

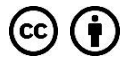
Conclusion

Washington's 34 community and technical colleges have worked together to establish a global system template and policy to effectively implement SB 5022. This comprehensive framework ensures that all community and technical college students who have applied for student financial aid receive consistent and vital information about their education loans. This framework also aligns with subsequent amendments to Senate Bill 5022 found in ESSSB 6029 in 2018.

Our college system's commitment to uniformity extends beyond mere compliance; it reflects a dedication to providing students with the essential tools and information needed to make informed decisions about their financial future in education.

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